



DECEMBER 2003

## QUARTERLY PAYROLL NEWSLETTER FORT DETRICK, MARYLAND

Welcome to the quarterly payroll newsletter provided to you by the Payroll Liaison. I hope that this newsletter helps keep everyone informed on new issues from payroll.



## JANUARY 2004 PAY RAISE

Federal employees would receive a 2.7 percent across-the-board salary increase and a 1.4 percent locality pay increase in 2004 under a recommendation approved Tuesday by the Federal Salary Council.

### BiWeekly Caps on Premium Pay

Under 5 U.S.C. 5547(a) and 5 CFR 550.105, General Schedule employees and other covered employees receive certain types of premium pay for a biweekly pay period ONLY to the extent that the sum of basic pay and premium pay, for the pay period, DOES NOT EXCEED the greater of the biweekly rate for (1) GS-15, step 10 (including any applicable locality rate

or special salary rate), OR (2) level V of the Executive Schedule. The biweekly rate is computed by (1) dividing the applicable scheduled annual rate by 2,087 hours, (2) rounding the resulting hourly rate to the nearest cent, and (3) multiplying the hourly rate by 80 hours. For example, in San Antonio, the GS-15/10, scheduled annual locality rate, for 2003, of \$121,330 divided by 2,087 hours yields an hourly rate of \$58.14 and a biweekly rate of \$4,651.20 (\$58.14 x 80 hrs). Similarly, the Executive Level V annual rate of \$125,400 divided by 2,087 hours yields an hourly rate of \$60.09 and a biweekly rate of \$4,807.20 (\$60.09 x 80 hrs).

### VERIFY INFORMATION ON LES

With pay changes, possible Health Benefit and TSP changes, etc., it is recommended that you verify ALL of the information on your LES. If any discrepancies are noted, your activity CSR should be notified immediately for an explanation and/or resolution. The quicker any discrepancy is reported, the quicker it can be resolved. It is the sole responsibility of each and every employee to verify this information.

### RESOLVING A PAY PROBLEM

What happens when you get your LES and you don't think your pay is correct? What should you do? First, compare your current LES with your previous one. Note where the differences are, read the comments at the bottom concerning actions that may have occurred, and be sure there really is a problem. If you determine that there is indeed a discrepancy, the next thing you should do is contact your activity's Customer Service Representation (CSR). Your CSR can access the payroll system and will probably be able to resolve

the problem at that time. However, if an error has been made that needs to be corrected at the DFAS payroll office, your CSR will submit a Remedy Ticket to the payroll office. The DFAS payroll office will research and resolve the problem and respond back to the CSR with the results.

AS A REMINDER: Many actions can now be input, changed, and viewed by the employee on the Web through MyPay at <https://mypay.dfas.mil>. This Web site is your KEY to controlling your pay. Take full advantage of this convenient service for allotments, direct deposits, address changes, savings bonds, federal and state taxes, and viewing & printing of LES and W-2 statements.

### UPDATE FORWARDING ADDRESS

When an employee out-processes, the Customer Service Representative (CSR) should check to see if the departing employee will be changing their address. If the address is changing, the CSR needs to update this information in DCPS. This will ensure that the employee will receive their W-2 at the end of the pay year. If the employee doesn't change their address upon departure but changes it within the year, the employee should furnish the losing activity with the new mailing address. This will ensure that the most current address is reflected in the payroll system.

### RECEIPT OF W2 FORM

Once you have received your W2 form for the year 2002, it is requested that you file it in a safe, secure place until you are ready to file your taxes. If you do misplace or lose your copy, you can print the W2 from the web site for MYPAY at <http://WWW.DFAS.MIL> and clicking on MYPAY or by going to <https://mypay.dfas.mil>.

## MYPAY WEB SITE

In a news release, from the Defense Finance and Accounting Service (DFAS), the two million military and civilian users of MyPay are being cautioned to use only the official MyPay site at <https://mypay.dfas.mil> when seeking to access pay account information. In a statement from Claudia L. Bogard, director of Corporate Communications for DFAS, "Personal information is valuable and should be safeguarded. Don't provide your personal information to any Web site unless you know it can be trusted." Look-alike sites have recently frustrated MyPay customers who have been confused by accidentally finding their way to a commercial site that is in NO WAY affiliated with DFAS or the Department of Defense. DFAS' myPay is a secure, DFAS-operated Web site that lets active duty, National Guard and Reserve military members, civilian employees, military retirees and civilian annuitants take charge of their pay accounts on-line.

## W-2 Information

Effective 17 September 2003, all current myPay military users and Defense Finance and Accounting Service (DFAS) civilian employees who request or already have a myPay Personal Identification Number (PIN) and access myPay are consenting to receive only an electronic W-2. They may, however, elect to receive a hardcopy W-2. All other Department of Defense (DoD) civilian employees who use myPay may elect to receive an electronic W-2 in lieu of a hardcopy W-2 through the myPay system. *To turn on the hardcopy W-2 print*, you must elect "HARDCOPY" by using the turn on/off hardcopy W-2 option on myPay. If this option is selected, you will receive a hardcopy W-2 print in the mail. You will also be

able to view your W-2 on myPay. This option is not available for W-2s that have already been provided electronically BEFORE the option is selected. To ensure that customers receive an electronic or hardcopy W-2, there will be a "no change" period that will run from 1 December through 31 January of each tax season. During this period, you will not be allowed to change your W-2 print election on myPay, but may request a paper W-2 by contacting your activity CSR. The consent to receive an "ELECTRONIC" W-2 will remain in effect each year unless an election is made to receive a "HARDCOPY" W-2. DFAS civilian employees may decide to "opt out" of this election electronically through myPay. Your electronic W-2 will be available yearly on myPay and will be available for the entire year.



## MILEAGE RATE INCREASE

Federal travelers may see an increase in their mileage reimbursement rate in 2004 if the General Services Administration (GSA) follows suit with the Internal Revenue Service (IRS), which recently announced rates would increase to 37.5 cents per mile next year. Currently, federal employees who travel in their own cars on government business are reimbursed 36 cents per mile, a rate set earlier this year by GSA. By law, GSA is required to independently review the IRS study that determined the new rates and then set its own rate, which is usually published in the *Federal Register* in January. In recent years, GSA's rate has mirrored that of the IRS.



# CURRENT BOND RATES

The current bond rates are I Bonds = 2.19%; EE Bonds = 2.61%; and HH Bonds = 1.50%. These rates will be current through April 2004. New rates will be posted on 3 May 2004.

## TSP OPEN SEASON

The TSP open season runs from 15 Oct 03 - 31 Dec 03. FERS employees can contribute up to 14% and CSRS employees can contribute up to 9%. ALL employees MUST go to the ABC-C website <https://www.abc.army.mil> to make their changes or call the toll-free number 1-877-276-9287 to access IVRS.

## TSP CATCH-UP CONTRIBUTIONS

TSP participants, age 50 and older, may elect to contribute up to \$3,000 in 2004 through TSP Catch-Up. Catch-Up contributions are in addition to regular TSP contributions and participants MUST elect to contribute the maximum amount allowed through regular TSP contributions BEFORE being eligible to make the Catch-Up contributions. TSP Catch-Up elections are not tied to regular open seasons and may be started, stopped, or changed at any time. TSP Catch-Up contributions must be re-elected every calendar year. The TSP Catch-Up elections, for 2004, may be made through the ABC-C web site from 30 Nov 03 through 13 Dec 03 to be effective the pay period beginning 14 Dec 03. ALL employees MUST go to the ABC-C website <https://www.abc.army.mil> to make their changes or call the toll-free number 1-877-276-9287 to access IVRS.

## FEHB OPEN SEASON

The FEHB open season runs from 10 Nov 03 through 8 Dec 03. During this open season, employees may change or cancel their FEHB coverage. The effective date for the new elections will be 11 Jan 04. Before changing or making an election, please take the time to verify the cost and coverage of the plan that you are interested in. All of the health care providers have increased their premiums and changed coverage. Make certain you check your current coverage to see if it's still the best for you and your family. To review costs and plan brochures, go to <http://www.opm.gov>. ALL employees MUST go to the ABC-C website <https://www.abc.army.mil> to make their changes or call the toll-free number 1-877-276-9287 to access IVRS.



## FLEXIBLE SPENDING ACCOUNTS

The open season for employees to sign up for flexible spending accounts (FSA) is concurrent with the FEHB open season. FSA allows employees to set aside pre-tax payroll dollars to pay for certain eligible expenses - up to \$5,000 for dependent care and up to \$3,000 for medical and dental care. FSA money can be used to pay for out-of-pocket expenses such as co-payments and deductibles. It can also be used to purchase over-the-counter medications. While FEHB enrollment carries over from one year to the next, FSA enrollment DOES NOT. A new enrollment is required during each open season for the following calendar year. The Department of Defense has agreed to pay the administrative fees.

REMINDER: premiums for long-term care insurance CANNOT be paid from an FSA account.



## LEAVE DONATIONS AND RECIPIENTS

If you have USE-OR-LOSE leave, it is not too early to start thinking about what you plan to do with these hours. There are several employees, approved for the Leave Transfer Program that could benefit from donated leave. If you plan on donating some of your leave, please try to donate it by 12 Dec 03.

### LEAVE YEAR FOR 2003

The last leave period, for civilians to use annual leave begins 28 Dec 03 and ends 10 Jan 04. Any employee with more than 240 hrs, on 11 Jan 04, will lose the excess hours (the exception is anyone that can carryover more than 240 hrs). Employees MUST schedule any "use-or-lose" leave before 30 Nov 03. If an employee has scheduled approved annual leave, there is potential for restoration IF 1) the employee's supervisor MUST cancel the leave due to "an exigency of the public business" or 2) it is lost due to sickness of the employee. Annual leave is NOT forfeited/lost until 11 Jan 04, therefore, requests for restored leave cannot be submitted prior to that date. The request must have copies of the supporting documents attached. The request is submitted BY the employee, THRU the supervisor, TO the Civilian Personnel Advisory Center for review and approval/disapproval determination.